

Otto Reidl

From: dlowery@lsistl.com
Sent: Monday, November 01, 2004 4:37 PM
To: oreidl@hodell-natco.com; kreidl@hodell-natco.com
Cc: Dale@IBIS-group.com; jwoodrum@lsistl.com
Subject: Dan Lowery - ConCall Tuesday November 4, 2004 2PM CST

Otto, Kevin, Dale, and Jon:

The Conference call to discuss our proposal is:
Call In Number: 888-811-5954
Participant passcode: 418618

Otto:

On the funding, let me think out loud with you. Having someone pre-fund a portion of the development allows me to accelerate the project, get Fasteners to SAP, and get Hodel-Natco using SAP and Radio Beacon as it was intended.

In lue of escrowing or pre-funding the bulk of the project, what if we took the \$ 180,000 of development cost only, and split that in three payments. A third on signing, another third at three months, and another third at six months. The final software payment is at go-live, or \$ 120,000.

This allow me to pay for the biggest part of development, and you receive as benefit, the Fastener code no charge. This equates to \$ 96,000 (\$1200/user times 80 users)

The total project would come in at \$ 450-500,000 including fixing the Radio Beacon software to operate for Hodel.

This is what I would like to discuss tomorrow.

$$\begin{array}{r} 14000 \\ 80 \\ \hline 320,000 \end{array}$$

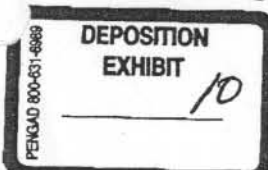
Dan Lowery

The In-Flight "pass" was IBIS's restitution for our implementation penalty of Radio Beacon, in conjunction with pass on Radio Beacon.

If no escrow, what do we get if LSI gets into difficulty? SAP BI license downput credit - or ownership of 1/2 half+ licenses.

3 (\$50K's); FINANCIAL STMT; \$100/user until \$100K recovered

$$\begin{array}{r} 100 \\ 100,000 \\ \hline \end{array}$$
 credit on maint. fees



HODL00161